

**ASSEMBLY, No. 3438**

---

**STATE OF NEW JERSEY**

**218th LEGISLATURE**

---

INTRODUCED MARCH 5, 2018

**Sponsored by:**

**Assemblyman ROBERT J. KARABINCHAK**

**District 18 (Middlesex)**

**Assemblyman CRAIG J. COUGHLIN**

**District 19 (Middlesex)**

**SYNOPSIS**

Requires Director of the Division of Taxation to establish 45-day State tax amnesty period that ends no later than June 15, 2018.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/15/2018)**

1 AN ACT providing for a State tax amnesty period, supplementing  
2 Title 54 of the Revised Statutes and making an appropriation.

3  
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6  
7 1. a. In addition to the powers of the Director of the Division  
8 of Taxation prescribed under the State Uniform Tax Procedure Law,  
9 R.S.54:48-1 et seq., and notwithstanding the provision of any other  
10 law to the contrary, the director shall establish a period not to  
11 exceed 45 days in duration, which period shall end no later than  
12 June 15, 2018, during which a taxpayer who has failed to pay any  
13 State tax on or before the day on which the tax is required to be  
14 paid may pay to the director on or before the last day of the period  
15 established by the director the amount of that tax and one-half of  
16 the balance of interest that is due as of May 1, 2018, but without the  
17 remaining one-half of the balance of interest that is due as of May  
18 1, 2018, without the recovery fee as set forth in section 2 of  
19 P.L.1992, c.172 (C.54:49-12.3) that may otherwise be due, and  
20 without the imposition of any civil or criminal penalties arising out  
21 of an obligation imposed under any State tax law. This section  
22 shall apply only to State tax liabilities for tax returns due on or after  
23 February 1, 2009 and prior to January 1, 2018 and shall not extend  
24 to any taxpayer who at the time of payment is under criminal  
25 investigation or charge for any State tax matter, as certified by a  
26 county prosecutor or the Attorney General to the director.

27 Notwithstanding the provisions of any other law to the contrary,  
28 no taxpayer shall be entitled to a waiver of one-half of the balance  
29 of interest due as of May 1, 2018, penalty and recovery fee pursuant  
30 to this subsection unless full payment of the tax and one-half of the  
31 balance of interest due as of May 1, 2018 is made in accordance  
32 with the rules and procedures established by the director.

33 b. There shall be imposed a 5% penalty, which shall not be  
34 subject to waiver or abatement, in addition to all other penalties,  
35 interest, or costs of collection otherwise authorized by law, upon  
36 any State tax liabilities eligible to be satisfied during the period  
37 established pursuant to subsection a. of this section that are not  
38 satisfied during the amnesty period.

39 c. Notwithstanding the provisions of any other law to the  
40 contrary, if a taxpayer elects to participate in the program  
41 established pursuant to this section, as that election shall be  
42 evidenced by full payment pursuant to this section of a State tax  
43 liability to which this section applies pursuant to subsection a. of  
44 this section, then that election shall constitute an express and  
45 absolute relinquishment of all administrative and judicial rights of  
46 appeal that have not run or otherwise expired as of the date payment  
47 is made. The relinquishment of rights of appeal pursuant to this  
48 subsection shall apply with respect to all rights of appeal

1 established pursuant to the State Uniform Tax Procedure Law,  
2 R.S.54:48-1 et seq., and the specific statutory provisions of any  
3 State tax. No tax payment made pursuant to this section shall be  
4 eligible for refund or credit, whether claimed by administrative  
5 protest or judicial appeal.

6 d. Notwithstanding the provisions of any other law to the  
7 contrary, no amnesty payment shall be accepted without the express  
8 approval of the director with respect to any State tax assessment  
9 which is the subject of any administrative or judicial appeal as of  
10 the effective date of this act.

11 e. Notwithstanding any provision of the "Administrative  
12 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the  
13 contrary, the director may adopt immediately upon filing with the  
14 Office of Administrative Law such regulations as the director  
15 deems necessary to implement the provisions of this section, which  
16 regulations shall be effective for a period not to exceed 180 days  
17 following the date of enactment of P.L. , c. (pending before the  
18 Legislature as this bill) and may thereafter be amended, adopted, or  
19 readopted by the director in accordance with the "Administrative  
20 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

21  
22 2. There is appropriated to the Division of Taxation in the  
23 Department of the Treasury an amount not to exceed \$10,000,000  
24 from the proceeds collected pursuant to subsection a. of section 1 of  
25 this act to carry out and administer the tax amnesty program  
26 established pursuant to the provision of that section.

27  
28 3. This act shall take effect shall take effect immediately.  
29  
30

### 31 STATEMENT

32  
33 This bill requires the Director of the Division of Taxation to  
34 establish a 45-day State tax amnesty period, to end no later than  
35 June 15, 2018. The amnesty shall apply only to State tax liabilities  
36 for tax returns due on and after February 1, 2009 (the day following  
37 termination of the most recent amnesty period) and before January  
38 1, 2018. During the amnesty period, a taxpayer who has failed to  
39 pay a State tax can pay the tax and one-half of the balance of  
40 interest that is due as of May 1, 2018, without the imposition of the  
41 remaining one-half of the balance of interest that is due as of May  
42 1, 2018, recovery fees, civil penalties and criminal penalties arising  
43 out of the late payment. The amnesty is not available to a taxpayer  
44 who, at the time of payment, is under criminal investigation or  
45 charge for any State tax matter.

46 If a taxpayer eligible for the amnesty fails during the amnesty  
47 period to pay taxes owed, that taxpayer shall be subject to a five  
48 percent penalty which may not be waived or abated. The five

**A3438 KARABINCHAK, COUGHLIN**

4

1   percent penalty shall be in addition to all other penalties, interest, or  
2   collection costs otherwise authorized by law.

3       The bill also appropriates a sum not to exceed \$10.0 million of  
4   the proceeds collected through the amnesty period for the costs  
5   incurred to carry out and administer the program.